

Hearing Date: August 9, 2012 at 10:00 a.m. (ET)
Objection Deadline: August 2, 2012 at 5:00 p.m. (ET)

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Counsel to the TSC Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)				
In re:	)				Chapter 11
)				
TERRESTAR CORPORATION, <i>et al.</i> , ¹	)				Case No. 11-10612 (SHL)
)				
Debtors.	)				Jointly Administered
)				

NOTICE OF HEARING ON THE TSC DEBTORS' MOTION FOR ENTRY OF AN ORDER: (A) APPROVING THE FIRST SUPPLEMENT TO THE SECOND AMENDED DISCLOSURE STATEMENT FOR THE THIRD AMENDED JOINT CHAPTER 11 PLAN OF THE TSC DEBTORS; (B) APPROVING RELATED NOTICE AND OBJECTION PROCEDURES; (C) APPROVING AMENDED FORMS OF BALLOTS FOR THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE THIRD AMENDED PLAN; AND (D) SCHEDULING CONFIRMATION HEARING

PLEASE TAKE NOTICE that on June 27, 2012, the TSC Debtors filed the *Motion for Entry of an Order: (A) Approving the First Supplement to the Second Amended Disclosure Statement for the Third Amended Joint Chapter 11 Plan of the TSC Debtors; (B) Approving*

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal taxpayer-identification number, are: (a) TerreStar Corporation [6127] and TerreStar Holdings Inc. [0778] (collectively, the "**February Debtors**"); (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the "**Other TSC Debtors**" and, collectively with the February Debtors, the "**TSC Debtors**").

Related Notice and Objection Procedures; (C) Approving Amended Forms of Ballots for the Solicitation of Votes To Accept or Reject the Third Amended Plan; and (D) Scheduling Confirmation Hearing (the “Motion”).

PLEASE TAKE FURTHER NOTICE that a hearing (the “Hearing”) to consider the Motion shall be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, on August 9, 2012 at 10:00 a.m. (prevailing Eastern time).

PLEASE TAKE FURTHER NOTICE that any responses to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Rules of the Bankruptcy Court and the Bankruptcy Court’s *Order Pursuant to Sections 105(a) and (d) of the Bankruptcy Code and Bankruptcy Rules 1015(c), 2002(m) and 9007 Implementing Certain Notice and Case Management Procedures* [Docket No. 12] (the “**Case Management Order**”), shall be filed with the Bankruptcy Court either (a) electronically in accordance with General Order M-399 (which can be found at <http://www.nysb.uscourts.gov>) by registered users of the Bankruptcy Court’s filing system, or (b) on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at <http://www.nysb.uscourts.gov>), and shall be served in accordance with General Order M-399 on: (a) TerreStar Corporation, 344 Maple Avenue West, #275, Vienna, Virginia 22180, Attn: Doug Brandon, Esq.; (b) counsel to the TSC Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff, Esq. and Arik Preis, Esq., and 1700 Pacific Ave., Suite 4100, Dallas, Texas 75201, Attn: Sarah Link Schultz, Esq.; (c) the Office

of the United States Trustee; (d) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (e) NexBank, SSB as agent for the lenders under the Bridge Loan Agreement; (f) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and certain of its managed and affiliated funds; (g) Wachtell, Lipton, Rosen & Katz as counsel to Highland Capital Management, LP and certain of its managed and affiliated funds; (h) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management, L.P.; (i) Richards Kibbe & Orbe LLP as counsel to West Face Long Term Opportunities Global Master L.P.; (j) the Internal Revenue Service; (k) the Securities and Exchange Commission; (l) the United States Attorney for the Southern District of New York; (m) the Federal Communications Commission; and (n) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002, in each case so as to be received no later than **August 2, 2012 at 5:00 p.m. (prevailing Eastern time)** (the “**Response Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no responses with respect to the Motion are timely filed and served in accordance with the Case Management Order, the TSC Debtors may, on or after the Response Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed interim order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard offered to any party.

New York, New York
Dated: June 27, 2012

/s/ Ira S. Dizengoff

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**UNITED STATES BANKRUPTCY COURT
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In re:)		Chapter 11
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TERRESTAR CORPORATION, <i>et al.</i> , ¹)		Case No. 11-10612 (SHL)
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Debtors.)		Jointly Administered
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¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal taxpayer-identification number, are: (a) TerreStar Corporation [6127] (“TSC”) and TerreStar Holdings Inc. [0778] (collectively, the “February Debtors”); (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the “Other TSC Debtors” and, collectively with the February Debtors, the “TSC Debtors”).

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PRELIMINARY STATEMENT²

The TSC Debtors seek entry of an order, substantially in the form annexed hereto as Exhibit A (the “*Disclosure Statement Order*”), approving (a) the proposed first supplement (the “*First Disclosure Statement Supplement*”) to the TSC Debtors’ Second Amended Disclosure Statement [Docket No. 338] (as may be amended, modified or supplemented from time to time, the “*Disclosure Statement*”),³ which First Disclosure Statement Supplement is attached as Exhibit 1 to Exhibit A attached hereto; (b) approving the revised notice of plan confirmation deadlines (the “*Confirmation Hearing Notice*”), which proposed Confirmation Hearing Notice is attached as Exhibit 2 to Exhibit A attached hereto; (c) approving the amended forms of Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots for the solicitation of votes to accept or reject the Third Amended Joint Chapter 11 Plan of the TSC Debtors dated as of June 27, 2012 (the “*Third Amended Plan*”), filed concurrently herewith, copies of which are attached as Exhibit 3a, Exhibit 3b and Exhibit 3c to Exhibit A attached hereto; and (d) scheduling a confirmation hearing with respect to the Third Amended Plan. In support of this Motion, the TSC Debtors respectfully represent as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The bases for the relief requested herein are (a) sections 105, 1123(a), 1124, 1125, 1126 and 1128 of title 11 of the United States Code (the “*Bankruptcy Code*”), (b) Rules 2002,

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Disclosure Statement.

³ To the extent that any party would like to receive an additional copy of the Disclosure Statement, upon a request to the TSC Debtors, The Garden City Group, Inc. (the “*Claims Agent*”) will provide an additional copy by first-class mail.

3003, 3016, 3017, 3018, 3020 and 9006 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and (c) Rules 3017-1 and 3020-1 of the Local Bankruptcy Rules for the Southern District of New York (the “*Local Rules*”).

II. FACTUAL BACKGROUND

3. On October 19, 2010 (the “*October Petition Date*”) and February 16, 2011 (the “*Petition Date*”), the Other TSC Debtors and the February Debtors, respectively, filed petitions with this Court under chapter 11 of the Bankruptcy Code. The TSC Debtors are operating their business and managing their property as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

4. On October 20, 2010, the Court entered an order providing for the joint administration, for procedural purposes only, of the Other TSC Debtors’ cases with the cases of TerreStar Networks Inc. and its affiliated debtors and debtors in possession (collectively with the Other TSC Debtors, the “*October Debtors*”), styled as *In re TerreStar Networks Inc., et al.*, Case No. 10-15446 (SHL). Contemporaneously with the filing of the petitions for the February Debtors, the Other TSC Debtors requested that their cases be de-consolidated from the case number of TerreStar Networks Inc. and the TSC Debtors sought procedural consolidation and joint administration of the chapter 11 cases of the Other TSC Debtors and the February Debtors under the case number of TSC. On February 23, 2011, the Court entered orders amending joint administration of the October Debtors’ chapter 11 cases and providing for the joint administration of the TSC Debtors’ cases for procedural purposes only, styled as *In re TerreStar Corporation, et al.*, Case No. 11-10612 (SHL).

5. On October 29, 2010, the United States Trustee for the Southern District of New York (the “*U.S. Trustee*”) appointed an official committee of unsecured creditors of the October

Debtors (the “*TSN Committee*”).⁴ No statutory committees have been appointed or designated in the February Debtors’ cases.

6. On July 22, 2011, the TSC Debtors filed their Joint Chapter 11 Plan [Docket No. 141] (the “*Initial Plan*”), and on August 3, 2011, the TSC Debtors filed the related Disclosure Statement [Docket No. 149]. Also on August 3, 2011, the TSC Debtors filed their *Motion for Entry of an Order (A) Approving the Disclosure Statement for the Joint Chapter 11 Plan of the TSC Debtors and (B) Establishing Solicitation and Voting Procedures with Respect to the Joint Chapter 11 Plan of the TSC Debtors* [Docket No. 150] (the “*Disclosure Statement Motion*”).

7. On December 27, 2011, the TSC Debtors filed their First Amended Joint Chapter 11 Plan [Docket No. 313] (the “*First Amended Plan*”) and related Disclosure Statement [Docket No. 315]. On January 12, 2012, the TSC Debtors filed their Second Amended Joint Chapter 11 Plan [Docket No. 336] (the “*Second Amended Plan*”) and related Disclosure Statement [Docket No. 338]. On January 17, 2012, this Court entered an order [Docket No. 343] approving the Disclosure Statement and approving procedures for solicitation of acceptance of the Second Amended Plan. On February 8, 2012, the TSC Debtors filed the plan supplement documents, as contemplated by the Plan [Docket No. 364].

8. Despite the fact that the TSC Debtors have received approval of the Disclosure Statement, the TSC Debtors have not yet moved forward with confirmation of the Plan due to a number of events. Pursuant to the Plan, the holders of certain preferred equity interests in TSC (the “*Preferred Shareholders*”) will become the owners of the common stock of the reorganized TSC entity. On April 20, 2012, subsequent to the Court’s approval of the Disclosure Statement,

⁴ The TSN Debtors have confirmed and consummated their chapter 11 plan. Therefore, the TSN Committee is no longer in existence.

the Spectrum Lease⁵ was terminated. The termination of the Spectrum Lease forced the TSC Debtors to revisit their plan of reorganization and, in conjunction with the largest of TSC's Preferred Shareholders, to negotiate and develop an alternative strategy whereby the TSC Debtors can extract value from the 1.4 Spectrum and successfully emerge from chapter 11.⁶ In connection therewith, on June 15, 2012, the TSC Debtors filed a motion to enter into a consulting agreement with RKF Engineering Solutions, LLC [Docket No. 497], an engineering firm that will assist the TSC Debtors in analyzing the technical and engineering aspects of the 1.4 Spectrum with respect to the sale, lease or retention of the 1.4 Spectrum.

9. In light of these circumstances, the TSC Debtors seek to supplement their Disclosure Statement and intend to solicit acceptances of the Plan and exit chapter 11 as soon as possible.

III. RELIEF REQUESTED

10. By this Motion, the TSC Debtors respectfully request entry of an order, substantially in the form attached hereto as Exhibit A, granting the following relief:

- (a) approving the First Disclosure Statement Supplement attached as Exhibit 1 to Exhibit A attached hereto and incorporated by reference herein;
- (b) approving the following dates and deadlines for soliciting votes, voting on the Plan (or changing a vote on the Plan, as applicable) and filing objections to the Third Amended Plan, including:
 - (1) the Solicitation Deadline as August 14, 2012;

⁵ TerreStar 1.4 Holdings LLC ("**1.4 Holdings**"), a wholly-owned subsidiary of TerreStar Holdings Inc. and not a debtor in these cases, has the rights to use 1.4 GHz terrestrial spectrum ("**1.4 Spectrum**") pursuant to 64 FCC licenses held by 1.4 Holdings. In September 2009, 1.4 Holdings entered into a lease agreement (the "**Spectrum Lease**") with One Dot Four Corp. ("**One Dot Four**"), whereby One Dot Four leased the rights to use the 1.4 Spectrum. Pursuant to the Spectrum Lease, One Dot Four was obligated to pay 1.4 Holdings \$2 million per month.

⁶ Since the termination of the Spectrum Lease, 1.4 Holdings has entered into a short-term lease agreement with FirstEnergy Service Company ("**FirstEnergy**") whereby FirstEnergy is leasing the right to use a geographically small portion of the 1.4 Spectrum over the next year subject to certain termination rights. This lease will provide the TSC Debtors with approximately \$40,000 per month in revenue.

- (2) the Voting Deadline as September 7, 2012 at 5:00 p.m. (prevailing Eastern Time);
 - (3) the Plan Objection Deadline as September 11, 2012 at 5:00 p.m. (prevailing Eastern Time); and
 - (4) the Confirmation Hearing Date as September 18, 2012 at 10:00 a.m. (prevailing Eastern Time);
- (c) approving the materials to be included in the Solicitation Packages (defined below), including the following:
- (1) the Confirmation Hearing Notice (defined below), substantially in the form annexed as Exhibit 2 to Exhibit A attached hereto and incorporated by reference herein; and
 - (2) the Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots (including a postage prepaid envelope), substantially in the forms annexed as Exhibit 3a, Exhibit 3b and Exhibit 3c to Exhibit A attached hereto, respectively, and incorporated by reference herein;
- (d) approving the solicitation and voting procedures as set forth herein; and
- (e) approving notice and objection procedures for confirmation of the Plan.

The First Disclosure Statement Supplement, in essence, sets forth the treatment of Claims and Equity Interests under the terms of the proposed Third Amended Plan.

11. Contingent upon this Court's approval of the First Disclosure Statement Supplement, the Confirmation Hearing Notice and the amended Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots, rather than re-mailing complete Solicitation Packages to holders of Claims and Equity Interests entitled to vote on the Third Amended Plan, the TSC Debtors propose to mail the First Disclosure Statement Supplement, the Confirmation Hearing Notice and the appropriate form of Ballot, Preferred Stock Ballot or Master Preferred Stock Ballot to each holder of a Class 3a, 3b, 4a, 4b or 6 Claim or Class 8a or 8b Equity Interest. Since the treatment of Classes 4c, 4d, 4e, 4f, 4g, 4h, and 4i under the Third Amended Plan is identical to treatment of Classes 4c, 4d, 4e, 4f, 4g, 4h, and 4i under the Second Amended Plan,

the TSC Debtors do not propose resolicitation of Classes 4c, 4d, 4e, 4f, 4g, 4h, and 4i. Further, consistent with the previous versions of the Plan, holders of Claims and Equity Interests in Classes 1, 2, 5, 7, 8c, 8d, 8e, 9a, 9b, 9c, 9d, 9e, 9f, 9g, 9h and 9i are not entitled to vote on the Plan because such Classes are either (a) unimpaired and conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f) or (b) impaired and not receiving any property under the Plan, and thus conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). The TSC Debtors propose to serve the Confirmation Hearing Notice upon all holders of Claims against and Equity Interests in the TSC Debtors as well as all other parties in the creditor matrix maintained by the Claims Agent.⁷

IV. BASIS FOR RELIEF

A. Approval of the First Disclosure Statement Supplement

12. The Disclosure Statement, as supplemented by the First Disclosure Statement Supplement, continues to provide adequate information under the standards of Bankruptcy Code section 1125. The First Disclosure Statement Supplement simply includes further information regarding the reasons why the Second Amended Plan could not be confirmed and the need to analyze further options with respect to the 1.4 Spectrum as reflected in the Third Amended Plan. In light of the circumstances of these cases, including this Court's prior approval of the Disclosure Statement, the First Disclosure Statement Supplement should be approved.

⁷ On October 20, 2010, the Court entered an order authorizing the October 19 Debtors' employment and retention of The Garden City Group, Inc. as claims and noticing agent (the "*Claims Agent Retention Order*") [Docket No. 28]. The Claims Agent Retention Order was made applicable to the chapter 11 cases of TerreStar Corporation and TerreStar Holdings Inc. by order entered February 23, 2011 [Docket No. 13]. The Claims Agent Retention Order provides that "[The Garden City Group, Inc.] will assist the Debtors with, among other things, preparing and mailing notices and customized proofs of claims to creditors, claims processing, solicitation of votes on any plan, tabulation of ballots and such other services as may be requested by the Debtors or the Clerk's Office from time to time." See Claims Agent Retention Order, ¶ 4. As such, the TSC Debtors believe the Claims Agent has authority to, among other things, prepare and distribute the Solicitation Packages as contemplated herein.

B. Approval of the Materials for Soliciting Votes on the Plan

13. The TSC Debtors propose to send the solicitation materials and documents to be included in the solicitation packages listed below (each, a “*Solicitation Package*” and, collectively, the “*Solicitation Packages*”) to provide holders of Claims and Equity Interests in Classes 3a, 3b, 4a, 4b, 6, 8a and 8b (collectively, the “*Voting Classes*”) with the information they need to be able to make informed decisions with respect to how to vote, or change their vote, on the Plan. Specifically, on or before the Solicitation Deadline (defined below), the TSC Debtors will cause the Solicitation Packages to be distributed by first-class U.S. mail to those holders of Claims and Equity Interests in the Voting Classes. Each Solicitation Package will include the following materials:

- (a) the First Disclosure Statement Supplement (and exhibits thereto, including the Plan);
- (b) the Confirmation Hearing Notice setting forth, among other things, the date and time of the hearing on confirmation of the Third Amended Plan and the deadline for filing objections to confirmation of the Third Amended Plan, substantially in the form annexed as Exhibit 2 to Exhibit A attached hereto and incorporated by reference herein;
- (c) the *Order (A) Approving the First Supplement to the Second Amended Disclosure Statement for the Third Amended Joint Chapter 11 Plan of the TSC Debtors; (B) Approving Related Notice and Objection Procedures; (C) Approving Amended Forms of Ballots for the Solicitation of Votes To Accept or Reject the Third Amended Plan; and (D) Scheduling Confirmation Hearing* (without exhibits);
- (d) an appropriate Ballot, Preferred Stock Ballot or Master Preferred Stock Ballot, as applicable, substantially in the forms annexed as Exhibit 3a, Exhibit 3b and Exhibit 3c to Exhibit A attached hereto, respectively, and incorporated by reference herein, together with detailed voting instructions and a pre-addressed, postage prepaid return envelope; and
- (e) such other materials as the Court may direct.

14. Consistent with the relief granted by this Court in the order approving the Disclosure Statement, the TSC Debtors, with the assistance of the Claims Agent, will provide (a) complete Solicitation Packages to (i) the U.S. Trustee and (ii) counsel to the Designated Holders and (b) the Confirmation Hearing Notice to all parties on the 2002 List as of the Voting Record Date and all other parties in the creditor matrix maintained by the Claims Agent who are not receiving a complete Solicitation Package.⁸ The TSC Debtors will not mail Solicitation Packages or other solicitation materials to holders of Claims that have already been paid in full during these chapter 11 cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court.

15. Also consistent with the order of this Court approving the Disclosure Statement, the TSC Debtors respectfully request that the Claims Agent be authorized (to the extent not already authorized) to assist the TSC Debtors in (a) distributing the Solicitation Packages; (b) receiving, tabulating and reporting on the Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots cast to accept or reject the Plan by holders of Claims against and Equity Interests in the TSC Debtors that are entitled to vote on the Plan; (c) responding to inquiries from holders of Claims and Equity Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Preferred Stock Ballots, the Master Preferred Stock Ballots, the Solicitation Packages and all other related documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; and (d) if necessary, contacting holders of Claims and Equity Interests regarding any deficiencies in the Ballots, the Preferred Stock Ballots and the Master Preferred Stock Ballots.

⁸ For the avoidance of doubt, pursuant to Bankruptcy Rule 2002(b), notice of the hearing on, and deadline to object to, the Disclosure Statement and the Plan will also be provided to the TSC Debtors.

C. Approval of the Procedures for Soliciting Votes on and Confirmation of the Plan

(i) *Procedures for Soliciting Votes on the Plan*

16. The proposed solicitation procedures, with one material exception, are the same as the procedures previously approved by the Court. The principal difference is that the TSC Debtors seek authority to not solicit votes from holders of Claims in Classes 4c, 4d, 4e, 4f, 4g, 4h and 4i under the Third Amended Plan, which are the same as Classes 4c, 4d, 4e, 4f, 4g, 4h and 4i under the Second Amended Plan. The TSC Debtors respectfully submit that the treatment of Classes 4c, 4d, 4e, 4f, 4g, 4h and 4i under the Third Amended Plan is identical in all respects to the treatment of such classes under the Second Amended Plan and, as such, it is appropriate not to resolicit with respect to Classes 4c, 4d, 4e, 4f, 4g, 4h and 4i.

17. Consistent with the relief granted by this Court in the order approving the Disclosure Statement, the TSC Debtors propose that, with respect to any transferred Claim, the transferee will be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote with respect to the Plan, cast a Ballot on account of such Claim only if all actions necessary to effectuate the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Date. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim will be bound by any vote on the Plan made by the holder of such Claim as of the Voting Record Date.

(ii) *Procedures for Notice of the Confirmation Hearing*

18. Additionally, and consistent with the relief granted by this Court in the order approving the Disclosure Statement, the TSC Debtors will serve the Confirmation Hearing Notice to consider confirmation of the Plan on all known holders of Claims and Equity Interests and the 2002 List (regardless of whether such parties are entitled to vote on the Plan) by no later than August 14, 2012. The Confirmation Hearing Notice will include, without limitation:

(a) instructions how to view or obtain copies of the First Disclosure Statement Supplement (including the Plan and the other exhibits thereto), the Disclosure Statement, the Disclosure Statement Order and all other materials in the Solicitation Package (*excluding* Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots) from the Claims Agent and the Court's website via PACER; (b) notice of the Voting Deadline; (c) notice of the date by which the TSC Debtors will file the Plan Supplement; (d) notice of the Plan Objection Deadline; and (e) notice of the Confirmation Hearing Date and information related thereto.

19. Bankruptcy Rule 2002(l) permits the Court to "order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice." Fed. R. Bankr. P. 2002(l). Therefore, in addition to the foregoing distribution of the Confirmation Hearing Notice, and consistent with the relief granted by this Court in the order approving the Disclosure Statement, the TSC Debtors will publish the Confirmation Hearing Notice (in a format modified for publication) within seven business days after the Solicitation Deadline in the national edition of the *Washington Post* and *USA Today* (the "**Publication Notice**"). The TSC Debtors believe that the Publication Notice will provide sufficient notice of, among other things, the entry of the Disclosure Statement Order, the Voting Deadline, the Plan Objection Deadline and the first date on which the Confirmation Hearing is scheduled to parties who did not otherwise receive notice thereof by mail. Additionally, service and publication of the Confirmation Hearing Notice comports with the requirements of Bankruptcy Rule 2002 and should be approved.

(iii) Approval of the Procedures for Filing Objections to the Plan, Confirmation Brief and TSC Debtors' Reply to Objections, If Any, to the Plan

20. The TSC Debtors also request that the Court direct the manner in which parties in interest may object to confirmation of the Plan. Pursuant to Bankruptcy Rule 3020(b)(1),

objections to confirmation of a plan must be filed and served “within a time fixed by the court.” Fed. R. Bankr. P. 3020(b)(1). The Confirmation Hearing Notice will require that objections to confirmation of the Plan or requests for modifications to the Plan, if any, must:

- (a) be in writing;
- (b) conform to the Bankruptcy Rules, the Local Rules and any orders of this Court;
- (c) state the name and address of the objecting party and the amount and nature of the Claim or Equity Interest of such party;
- (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and
- (e) be filed, contemporaneously with a proof of service, with the Court and served so that it is **actually received** by the notice parties identified in the Confirmation Hearing Notice on or before the Plan Objection Deadline.

D. Approval of the Timeline for Soliciting Votes on and Confirmation of the Plan

21. The TSC Debtors request that, after the TSC Debtors distribute, by mailing or causing to be mailed by first-class mail, Solicitation Packages by August 14, 2012 (the “*Solicitation Deadline*”) to holders of Claims and Equity Interests entitled to vote (or change their vote) on the Plan, the Court require that such holders of Claims and Equity Interests complete, execute and return their Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots so that they are **actually received** by the Claims Agent on or before September 7, 2012 at 5:00 p.m. (prevailing Eastern Time) (the “*Voting Deadline*”).

22. The TSC Debtors also request that the Court establish September 18, 2012 at 10:00 a.m. (prevailing Eastern Time) (the “*Confirmation Hearing Date*”) as the date and time for the hearing (the “*Confirmation Hearing*”) at which the Court will consider confirmation of

the Plan⁹ and September 11, 2012 at 5:00 p.m. (prevailing Eastern Time) as the deadline by which objections to the Plan must be filed with the Court and served so as to be **actually received** by the appropriate notice parties (the “*Plan Objection Deadline*”).

23. In addition, in accordance with this Court’s *Order Pursuant to Sections 105(a) and (d) of the Bankruptcy Code and Bankruptcy Rules 1015(c), 2002(m) and 9007 Implementing Certain Notice and Case Management Procedures* [Docket No. 12], the TSC Debtors will file by September 13, 2012 (a) any Confirmation Brief in support of the Plan and (b) any reply to any objections filed to the Plan. The TSC Debtors believe that the Plan Objection Deadline will afford the Court, the TSC Debtors and other parties in interest reasonable time to consider the objections and proposed modifications in advance of the Confirmation Hearing, as well as offer the TSC Debtors sufficient time to file a reply to any such objections with this Court.

24. The proposed solicitation procedures will provide sufficient time for the holders of Claims and Equity Interests in the Voting Classes to review the First Disclosure Statement Supplement and the Third Amended Plan, submit ballots and, if they choose, object to confirmation. As such, the only impacted parties will not be unduly prejudiced. Moreover, the holder of the largest Class 4a Claim is Elektrobit Inc. (“*Elektrobit*”). Pursuant to an agreement between Elektrobit and the TSC Debtors, Elektrobit’s deadline to object to the Plan will be no earlier than one week before the Confirmation Hearing Date. Accordingly, the proposed solicitation procedures and confirmation timeline will not prejudice Elektrobit.

25. Accordingly, the TSC Debtors respectfully submit that the foregoing timing and materials will afford holders of Claims and Equity Interests entitled to vote (or change their vote)

⁹ The TSC Debtors further request that the Confirmation Hearing may be continued from time to time by the Court or the TSC Debtors without further notice to parties in interest other than such adjournment announced in open court or a notice of adjournment filed with the Court and served on the 2002 List and other parties entitled to notice.

on the Plan sufficient time within which to review and analyze such materials and subsequently make an informed decision as to whether to vote to accept or reject the Plan before the Voting Deadline, consistent with the requirements of the applicable Bankruptcy Rules. Accordingly, the TSC Debtors request that the Court approve the form of, and the TSC Debtors' proposed procedures for distributing, the Solicitation Packages to the holders of Claims and Equity Interests in the Voting Classes.

V. NON-SUBSTANTIVE MODIFICATIONS

26. To the extent not already authorized, the TSC Debtors request authorization to make non-substantive changes to the First Disclosure Statement Supplement, the Disclosure Statement, the Plan, the Confirmation Hearing Notice, the Solicitation Packages, the Ballots, the Preferred Stock Ballots, the Master Preferred Stock Ballots, the Publication Notice and related documents without further order of this Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes to the Plan and any other materials in the Solicitation Packages before distribution.

VI. MOTION PRACTICE

27. This motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated, and a discussion of their application to this motion. Accordingly, the TSC Debtors respectfully submit that this motion satisfies Local Rule 9013-1(a).

VII. NOTICE

28. The TSC Debtors have provided notice of this motion to: (a) the Office of the United States Trustee for the Southern District of New York; (b) the entities listed on the TSC Debtors' Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) NexBank, SSB as agent for the lenders under the Bridge Loan

Agreement and as agent for the TSC Debtors' proposed post-petition debtor-in-possession financing facility; (d) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners LLC and certain of its managed and affiliated funds; (e) Wachtell, Lipton, Rosen & Katz as counsel to the agent for the TSC Debtors' proposed post-petition debtor-in-possession financing facility; (f) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to Solus Alternative Asset Management, L.P.; (g) Richards Kibbe & Orbe LLP as counsel to West Face Long Term Opportunities Global Master L.P.; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the United States Attorney for the Southern District of New York; (k) the Federal Communications Commission; and (l) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the TSC Debtors respectfully submit that no further notice is necessary.

WHEREFORE, for the reasons set forth herein, the TSC Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as Exhibit A, (a) granting the relief requested herein, and (b) granting such other and further relief as may be appropriate.

New York, New York
Dated: June 27, 2012

/s/ Ira S. Dizengoff
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Sarah Link Schultz

Counsel to the TSC Debtors

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
)	
TERRESTAR CORPORATION, <i>et al.</i> , ¹	)	Case No. 11-10612 (SHL)
)	
Debtors.	)	Jointly Administered

ORDER (A) APPROVING THE FIRST SUPPLEMENT TO THE SECOND AMENDED DISCLOSURE STATEMENT FOR THE THIRD AMENDED JOINT CHAPTER 11 PLAN OF THE TSC DEBTORS; (B) APPROVING RELATED NOTICE AND OBJECTION PROCEDURES; (C) APPROVING AMENDED FORMS OF BALLOTS FOR THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE THIRD AMENDED PLAN; AND (D) SCHEDULING CONFIRMATION HEARING

Upon the motion (the “*Motion*”)² of the TSC Debtors for entry of an order pursuant to Bankruptcy Code sections 1123, 1124, 1125, 1126 and 1128, Bankruptcy Rules 2002, 3003, 3016, 3017, 3018 and 3020 and Local Rule 3020-1, approving (a) the First Disclosure Statement Supplement; (b) approving the Confirmation Hearing Notice; (c) approving the amended forms of Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots for use by holders of Claims and Equity Interests entitled to vote on the TSC Debtors’ Third Amended Plan; and (d) scheduling a confirmation hearing on the TSC Debtors’ Third Amended Plan; and it appearing that the relief requested in the Motion is in the best interests of the TSC Debtors, their estates, their creditors and other parties in interest; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal taxpayer-identification number, are: (a) TerreStar Corporation [6127] (“*TSC*”) and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”) and (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; and MVH Holdings Inc. [9756] (collectively, the “*Other TSC Debtors*”) and together with the February Debtors, the “*TSC Debtors*”).

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and the Motion, which included the First Disclosure Statement Supplement, a revised Confirmation Hearing Notice and amended forms of Ballots, Preferred Stock Ballots and Master Preferred Stock Ballots being served on parties in interest as set forth in the Motion; and this Court having found that such notice of the Motion was appropriate under the particular circumstances; this Court having approved the Disclosure Statement³ on January 17, 2012 [Docket No. 343]; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at the hearing; and upon the record established at the hearing on the Motion, this Court having found and determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein and that the relief requested in the Motion is in the best interests of the TSC Debtors, their estates and creditors; and after due deliberation and sufficient cause appearing therefore, it is hereby **ORDERED** that:

1. The Motion is granted to the extent set forth herein.

A. Approval of the Disclosure Statement

2. The First Disclosure Statement Supplement in the form attached hereto as Exhibit 1 is hereby approved.

3. Unless expressly modified by the terms of this order and its exhibits, this Court's January 17, 2012 order approving the Disclosure Statement [Docket No. 343] remains in full force and effect.

³ To the extent that any party would like to receive an additional copy of the Disclosure Statement, upon a request to the TSC Debtors, the Claims Agent will provide an additional copy by first-class mail.

B. Approval of the Materials for Soliciting Votes on the Plan

4. The TSC Debtors shall send solicitation packages to holders of Claims and Equity Interests in Classes 3a, 3b, 4a, 4b, 6, 8a and 8b.

5. In addition to the First Disclosure Statement Supplement and exhibits thereto, including the Third Amended Plan, the Solicitation Packages to be transmitted on or before the Solicitation Deadline to those holders of Claims and Equity Interests in the Voting Classes as of the Voting Record Date shall include the following, the form of each of which is hereby approved:

- (a) the Confirmation Hearing Notice, substantially in the form attached hereto as Exhibit 2 and incorporated by reference herein;
- (b) the Ballots, the Preferred Stock Ballots and the Master Preferred Stock Ballots (including a postage prepaid envelope), substantially in the forms attached hereto as Exhibit 3a, Exhibit 3b and Exhibit 3c, respectively, and incorporated by reference herein; and
- (c) the Disclosure Statement Order.

C. Approval of the Procedures for Soliciting Votes on and Confirmation of the Plan

6. The TSC Debtors shall distribute by mailing or causing to be mailed by first-class mail Solicitation Packages to all holders of Claims and Equity Interests entitled to vote on the Plan on or before the Solicitation Deadline in accordance with the Motion in satisfaction of the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

7. On or before the Solicitation Deadline, the TSC Debtors shall provide (a) complete Solicitation Packages to (i) the U.S. Trustee and (ii) counsel to the Designated Holders and (b) the Confirmation Hearing Notice to all parties on the 2002 List as of the Voting Record Date and all other parties in the creditor matrix maintained by the Claims Agent who are not receiving a complete Solicitation Package.

8. Except as provided in paragraph 9 herein, the TSC Debtors, with the assistance of the Claims Agent, shall distribute by mailing or causing to be mailed by first-class mail the Solicitation Packages on or before the Solicitation Deadline to holders of Claims and Equity Interests in the Voting Classes who are entitled to vote on the Plan, as determined by the following criteria:

- (a) holders of Claims for which Proofs of Claim have been timely filed, as reflected on the claims register as of the Voting Record Date; *provided, however*, that such Proofs of Claim have not been withdrawn, expunged or disallowed as of the Voting Record Date; *provided, however*, that holders of Claims to which an objection is pending as of the Voting Record Date shall receive a Solicitation Package with a Ballot in the amount of \$1.00 (or a Ballot reflecting the undisputed portion of the Claim plus \$1.00) and shall only be entitled to vote the disputed portion of such Claim in the amount of \$1.00 unless such holders become eligible to vote through a Resolution Event in accordance with the Solicitation and Voting Procedures;
- (b) holders of Claims listed in the Schedules in amounts in excess of \$0 that are not listed as contingent, unliquidated or disputed and for which no Proof of Claim has been timely filed; *provided, however*, that each holder of a Claim that is scheduled as contingent, unliquidated or disputed, or any combination thereof, and that has been superseded by a timely filed Proof of Claim shall receive a Solicitation Package;
- (c) holders of Claims that arise pursuant to an agreement or settlement with the TSC Debtors, as reflected in a document filed with the Court, in an order of the Court or in a document executed by the TSC Debtors pursuant to authority granted by the Court, regardless of whether a Proof of Claim with respect to such Claim has been filed;
- (d) the assignee of any transferred or assigned Claim, but only if such transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e) and such transfer is reflected on the claims register on or before the Voting Record Date;
- (e) the Designated Holders; and
- (f) the holders, as of the Voting Record Date, of Class 8a Preferred Series A TSC Interests and Class 8b Preferred Series B TSC Interests.

9. The TSC Debtors are not required to mail Solicitation Packages or other solicitation materials to holders of Claims that have already been paid in full during these chapter 11 cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court. Failure to mail Solicitation Packages or other solicitation materials to such entities will not constitute inadequate notice of the Confirmation Hearing and the Voting Deadline.

10. Publication of the Confirmation Hearing Notice (in a format modified for publication) within seven business days after the Solicitation Deadline in the national edition of the *Washington Post* and *USA Today* comports with Bankruptcy Rule 2002 and constitutes sufficient notice to all unknown creditors and parties in interest consistent with principles of due process and is hereby approved.

D. Approval of the Solicitation Deadline and Voting Deadline

11. The following dates are hereby established (subject to modification as needed) with respect to the solicitation of votes to accept the Plan and voting on the Plan:

- (a) Solicitation Deadline: August 14, 2012; and
- (b) Voting Deadline: September 7, 2012 at 5:00 p.m. (prevailing Eastern Time).

13. Any Ballot, Preferred Stock Ballot or Master Preferred Stock Ballot actually received by the Voting Agent after the Voting Deadline shall not be counted unless the TSC Debtors granted an extension of the Voting Deadline with respect to such Ballot, Preferred Stock Ballot or Master Preferred Stock Ballot.

14. The TSC Debtors will file the plan supplement documents with respect to the Third Amended Plan with the Court no later than August 21, 2012.

E. Approval of Procedures for Confirming the Plan

The following dates are hereby established (subject to modification as needed) with respect to filing objections to the Plan and confirming the Plan:

- (a) Plan Objection Deadline: September 11, 2012 at 5:00 p.m. (prevailing Eastern Time); and
- (b) Confirmation Hearing Date: September 18, 2012 at 10:00 a.m. (prevailing Eastern Time).

16. Objections to the Plan shall not be considered by the Court unless such objections are timely filed and properly served in accordance with this Disclosure Statement Order. Specifically, all objections to confirmation of the Plan or requests for modifications to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules and any orders of this Court; (c) state the name and address of the objecting party and the amount and nature of such party's Claim or Equity Interest; (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed, contemporaneously with a proof of service, with the Court and served so that it is **actually received** on or before the Plan Objection Deadline by the following parties:

- (a) Counsel to the TSC Debtors: Akin Gump Strauss Hauer & Feld LLP, Attn: Ira Dizengoff and Arik Preis, One Bryant Park, New York, New York 10036 and Attn: Sarah Link Schultz, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201;
- (b) Counsel to the Bridge Lenders: Weil, Gotshal & Manges LLP, Attn: Debra A. Dandeneau and Ronit Berkovich, 767 Fifth Avenue, New York, New York 10153; Wachtell, Lipton, Rosen & Katz, Attn: Scott K. Charles and Alexander B. Lees, 51 West 52nd Street, New York, New York 10019; Quinn Emanuel Urquhart & Sullivan, LLP, Attn: Scott C. Shelley and Daniel Holzman, 51 Madison Avenue, 22nd Floor, New York, New York 10010;

- (c) Counsel to the Bridge Loan Agent: Quinn Emanuel Urquhart & Sullivan, LLP, Attn: Scott C. Shelley and Daniel Holzman, 51 Madison Avenue, 22nd Floor, New York, New York 10010;
- (d) U.S. Trustee: Office of the United States Trustee for the Southern District of New York, Attn: Susan Golden, Whitehall Street, 21st Floor, New York, New York 10004.

17. The TSC Debtors shall file by September 13, 2012 (a) any Confirmation Brief in support of the Plan and (b) any reply to any objections filed to the Plan.

18. Nothing in this Disclosure Statement Order shall be construed as a waiver of the right of the TSC Debtors or any other party in interest, as applicable, to object to a Proof of Claim after the Voting Record Date.

19. To the extent not already authorized, the TSC Debtors are authorized to make non-substantive changes to the Plan, the Confirmation Hearing Notice, the Solicitation Packages, the Ballots, the Preferred Stock Ballots, the Master Preferred Stock Ballots, the Publication Notice and related documents without further order of this Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes to the Plan and any other materials in the Solicitation Packages before distribution.

20. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

21. The TSC Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

22. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

Dated: _____, 2012
New York, New York

United States Bankruptcy Judge

Exhibit 1

First Disclosure Statement Supplement

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Sarah Link Schultz

Counsel to the TSC Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
TERRESTAR CORPORATION, <i>et al.</i> , ¹	)	Case No. 11-10612 (SHL)
Debtors.	)	Jointly Administered

**FIRST SUPPLEMENT TO THE SECOND AMENDED DISCLOSURE STATEMENT
FOR THE THIRD AMENDED JOINT CHAPTER 11 PLAN OF THE TSC DEBTORS**

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1125. THIS FIRST SUPPLEMENT TO THE DISCLOSURE STATEMENT SUPPLEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal taxpayer-identification number, are: (a) TerreStar Corporation [6127]; and TerreStar Holdings Inc. [0778] (collectively, the “*February Debtors*”) and (b) TerreStar New York Inc. [6394]; Motient Communications Inc. [3833]; Motient Holdings Inc. [6634]; Motient License Inc. [2431]; Motient Services Inc. [5106]; Motient Ventures Holding Inc. [6191]; MVH Holdings Inc. [9756] (collectively, the “*Other TSC Debtors*”) and, collectively with the February Debtors, the “*TSC Debtors*”).

IMPORTANT INFORMATION FOR YOU TO READ

THE SUPPLEMENTAL DEADLINE TO VOTE ON THE JOINT CHAPTER 11 PLAN OF TERRESTAR CORPORATION, MOTIENT COMMUNICATIONS INC., MOTIENT HOLDINGS INC., MOTIENT LICENSE INC., MOTIENT SERVICES INC., MOTIENT VENTURES HOLDING INC., MVH HOLDINGS INC., TERRESTAR HOLDINGS INC. AND TERRESTAR NEW YORK INC. IS SEPTEMBER 7, 2012 AT 5:00 P.M. PREVAILING EASTERN TIME.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT BEFORE THE VOTING DEADLINE AS DESCRIBED HEREIN.

On January 12, 2012, the TSC Debtors filed the *Second Amended Disclosure Statement for the Second Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings, Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* [Docket No. 338] (the “*Second Amended Disclosure Statement*” and, as the same may be amended, modified or supplemented from time to time, the “*Disclosure Statement*”).

The TSC Debtors are providing the information in this First Supplement to the Disclosure Statement (the “*First Disclosure Statement Supplement*”) for the *Third Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings, Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* [Docket No. 513] (as may be amended, modified or supplemented from time to time, the “*Plan*”) to holders of Claims and Equity Interests entitled to vote on the Plan for the purpose of soliciting votes to accept the Plan. Capitalized terms used but not otherwise defined in this First Disclosure Statement Supplement shall have the meaning given to those terms in the Plan; the terms of which are adopted and incorporated here by reference. Nothing in this First Disclosure Statement Supplement may be relied upon or used by any entity for any other purpose.

ON JANUARY 17, 2012, THE BANKRUPTCY COURT ENTERED AN ORDER [DOCKET NO. 343] APPROVING THE DISCLOSURE STATEMENT. EXCEPT AS EXPRESSLY MODIFIED BY THIS FIRST DISCLOSURE STATEMENT SUPPLEMENT, THE APPROVED DISCLOSURE STATEMENT IS ADOPTED AND INCORPORATED HEREIN. HOLDER OF CLAIMS AND EQUITY INTERESTS ARE URGED TO REVIEW THIS FIRST DISCLOSURE STATEMENT SUPPLEMENT IN CONJUNCTION WITH THE APPROVED DISCLOSURE STATEMENT. This First Disclosure Statement Supplement may not be deemed as providing any legal, financial, securities, tax or business advice. The TSC Debtors urge any holder of a Claim or Equity Interest to consult with its own advisors for any legal, financial, securities, tax or business advice in reviewing this First Disclosure Statement Supplement, the Disclosure Statement, the Plan and each of the proposed transactions contemplated thereby. The Bankruptcy Court’s approval of the adequacy of the disclosure contained in this First Disclosure Statement Supplement does not constitute the Bankruptcy Court’s approval of the merits of the Plan. The TSC Debtors have not authorized any entity to give any information about or concerning the Plan other than the information contained in this First Disclosure Statement Supplement and the Disclosure Statement. The TSC Debtors have not authorized any representations concerning the TSC Debtors or the value of their property other than as set forth in this First Disclosure Statement Supplement and the Disclosure Statement.

The TSC Debtors urge every holder of a Claim or Equity Interest entitled to vote (or to change their vote, as applicable) on the Plan to (1) read the entire First Disclosure Statement Supplement, the Disclosure Statement and Plan carefully, (2) consider all of the information in this First Disclosure Statement Supplement and the Disclosure Statement, including, importantly, the risk factors described in section VI of this First Disclosure Statement Supplement and (3) consult with your own advisors with respect to reviewing this First Disclosure Statement Supplement, the Disclosure Statement, the Plan and all documents that are attached or were filed in connection with the Plan, the Disclosure Statement and this First Disclosure Statement Supplement before deciding whether to vote to accept or reject the Plan or change your vote to accept or reject the Plan.

This First Disclosure Statement Supplement contains summaries of the Plan as filed on June 27, 2012, certain statutory provisions, events in the TSC Debtors’ Chapter 11 Cases and certain documents related to the Plan. Although the TSC Debtors believe that these summaries are fair and accurate, the same are all qualified in

their entirety. In the event of any inconsistency or discrepancy between a description in this First Disclosure Statement Supplement and the terms and provisions of the Plan or other referenced documents, the Plan or other referenced documents will govern for all purposes. Except where otherwise specifically noted, factual information contained in this First Disclosure Statement Supplement has been provided by the TSC Debtors' management. The TSC Debtors do not represent or warrant that the information contained in or attached to this First Disclosure Statement Supplement is without any material inaccuracy or omission.

Although the TSC Debtors have used their reasonable business judgment to ensure the accuracy of the financial information contained in, or incorporated by reference into, this First Disclosure Statement Supplement, much of that financial information has not been audited. The TSC Debtors are generally making the statements and providing the financial information contained in this First Disclosure Statement Supplement as of the date hereof where feasible, unless otherwise specifically noted. Although the TSC Debtors may subsequently update the information in this First Disclosure Statement Supplement and the Disclosure Statement, the TSC Debtors have no affirmative duty to do so, and parties reviewing this First Disclosure Statement Supplement should be aware that, at the time of their review, the facts may have changed since this First Disclosure Statement Supplement was filed.

Neither this First Disclosure Statement Supplement, the Disclosure Statement nor the Plan is or should be construed as an admission of fact, liability, stipulation or waiver, and nothing stated herein shall be admissible in any proceeding involving the TSC Debtors or any other person, or be deemed conclusive evidence of the tax or other legal effects of the Plan on the TSC Debtors or holders of Claims or Equity Interests. Rather, holders of Claims and Equity Interests and other parties in interest should construe this First Disclosure Statement Supplement and the Disclosure Statement as statements made in settlement negotiations related to contested matters, adversary proceedings and other pending or threatened litigation or actions. The TSC Debtors or the Reorganized TSC Debtors may seek to investigate, file and prosecute Causes of Action and may object to Claims after Confirmation or the Effective Date irrespective of whether this First Disclosure Statement Supplement or the Disclosure Statement identify any such Causes of Action or objections to Claims.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

Neither this First Disclosure Statement Supplement nor the Plan has been filed with the United States Securities and Exchange Commission (the "*SEC*") or any state authority. The Plan has not been approved or disapproved by the SEC or any state securities commission, and neither the SEC nor any state securities commission has passed upon the accuracy or adequacy of this First Disclosure Statement Supplement or the merits of the Plan. Any representation to the contrary is a criminal offense.

This First Disclosure Statement Supplement has been prepared pursuant to Bankruptcy Code section 1125 and Bankruptcy Rule 3016(b) and is not necessarily in accordance with federal or state securities laws or other similar laws. The securities to be issued on or after the Effective Date will not have been the subject of a registration statement filed with the SEC under the Securities Act of 1933, as amended (the "*Securities Act*") or any securities regulatory authority of any state under any state securities law ("*Blue Sky Law*"). The TSC Debtors are relying on the exemption from the Securities Act and equivalent state law registration requirements provided by Bankruptcy Code section 1145(a), to exempt the issuance of new securities in connection with the solicitation and the Plan from registration under the Securities Act and Blue Sky Law.

This First Disclosure Statement Supplement contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology, such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof, as well as any similar or comparable language. You are cautioned that all forward looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The Liquidation Analysis, financial projections and other information contained herein and in the Disclosure Statement are estimates only, and the timing and amount of actual distributions to holders of Allowed Claims and Equity Interests may be affected by many factors that cannot be predicted. Any analyses, estimates or recovery projections may or may not turn out to be accurate.

QUESTIONS AND ADDITIONAL INFORMATION

If you would like to obtain copies of this First Disclosure Statement Supplement, the Disclosure Statement, the Plan or any of the documents attached hereto or referenced herein, or if you have questions about the solicitation and voting process or these Chapter 11 Cases generally, please contact The Garden City Group, Inc. by (i) calling 1-888-872-9182, (ii) emailing TerreStarCorp@gcginc.com or (iii) visiting www.TerreStarCorpRestructuring.com.

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I. INTRODUCTION

On October 19, 2010 (the “*October Petition Date*”), the Other TSC Debtors, together with TerreStar Networks Inc. (“*TSN*”) and certain other of its affiliates (collectively, excluding the Other TSC Debtors, the “*TSN Debtors*” and, including the Other TSC Debtors, the “*October Debtors*”), each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”). Subsequently, on February 16, 2011 (the “*February Petition Date*”), the February Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Chapter 11 Cases of the February Debtors and the Other TSC Debtors (collectively, the “*TSC Debtors*”) are being jointly administered under lead case number 11-10612 (SHL).²

On January 17, 2012, the Bankruptcy Court entered an order [Docket No. 343] (the “*Disclosure Statement Order*”) approving the Disclosure Statement. Since that date, certain events have occurred in the TSC Debtors’ chapter 11 cases that have delayed confirmation of the Plan contemplated by the Disclosure Statement. As discussed below, the TSC Debtors, in working with their stakeholders, are now prepared to move forward with prosecution of the Plan, as amended. In that regard, the TSC Debtors (and, as reorganized pursuant to the Plan, the “*Reorganized TSC Debtors*”) submit this First Disclosure Statement Supplement pursuant to Bankruptcy Code section 1125 to holders of Claims against and Equity Interests in the TSC Debtors because the TSC Debtors are asking holders of Claims and Equity Interests to accept the Plan.³ A copy of the Plan is attached hereto as **Exhibit A**.

Before soliciting acceptances of a proposed chapter 11 plan of reorganization, Bankruptcy Code section 1125 requires a debtor to prepare a disclosure statement that contains information of a kind, and in sufficient detail, to permit a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan of reorganization. Except as expressly modified by this First Disclosure Statement Supplement, the Disclosure Statement previously approved by the Bankruptcy Court is adopted and incorporated herein. Accordingly, holders of Claims and Equity Interests are urged to review this First Disclosure Statement Supplement in conjunction with the approved Disclosure Statement.

A hearing to consider Confirmation of the Plan is scheduled to be held before the Honorable Sean H. Lane at 10:00 a.m. prevailing Eastern time on September 18, 2012, at the Bankruptcy Court, located at One Bowling Green, New York, New York 10004-1408. Additional details with respect to Confirmation are provided in section V of this First Disclosure Statement Supplement, entitled “Confirmation of the Plan.”

This First Disclosure Statement Supplement contains, among other things, a description of certain material events that have occurred since the entry of the Disclosure Statement Order and descriptions and summaries of certain provisions of, and financial transactions contemplated by, the Plan being proposed by the TSC Debtors. Importantly, the Plan includes modifications to the treatment of certain Classes of Claims and Equity Interests, as explained herein. The TSC Debtors believe that allowing holders of such Claims and Equity Interests the opportunity to read the Disclosure Statement, this First Disclosure Statement Supplement and review the Plan is appropriate before deciding whether to change their votes or if they did not previously vote on the Plan, to vote to accept or reject the Plan.

² On March 29, 2012, the TSN Debtors emerged from chapter 11.

³ Capitalized terms used but not otherwise defined in this First Disclosure Statement Supplement will have the meanings set forth in the Plan or the Disclosure Statement, as applicable. **Please note that the description of the Plan provided throughout this First Disclosure Statement Supplement is only a summary provided for convenience. In the case of any inconsistency between the summary of the Plan in this First Disclosure Statement Supplement and the Plan, the Plan will govern.**

II. DEVELOPMENTS DURING THE CHAPTER 11 CASES

A. **Post-petition Financing**

On June 27, 2012, the February Debtors and MV Holding filed a motion [Docket No. 512] seeking approval of ongoing access to cash collateral, as well as approval of an aggregate \$3,000,000 (minus any commitment fee plus other amounts to be capitalized, each in accordance with the terms of the DIP Documents) secured debtor-in-possession financing facility (as amended, restated, amended and restated, supplemented or otherwise modified, the "**DIP Facility**"), with the February Debtors as borrowers and MV Holding as guarantor. The DIP Facility is secured by a first lien on all of the February Debtors' assets, subject to certain existing liens.

The DIP Facility carries a 10.5% interest rate. The DIP Facility contains negative and affirmative covenants standard for debtor-in-possession financing facilities, as well as various operational performance covenants. The February Debtors believe they will be able to comply with these covenants.

B. **Termination of the Spectrum Lease**

TSC's primary asset is its equity interest in TerreStar Holdings Inc. ("**TS Holdings**"), its wholly owned subsidiary, which owns non-debtor TerreStar 1.4 Holdings LLC ("**1.4 Holdings**"). 1.4 Holdings has the rights to use 1.4 GHz terrestrial spectrum ("**1.4 Spectrum**") pursuant to 64 FCC licenses (the "**FCC Licenses**") held by 1.4 Holdings.

To maintain their interest in the 1.4 Spectrum, 1.4 Spectrum licensees must make a showing of "substantial service" in their license area within the initial license term (10 years). Substantial service is defined as service that is sound, favorable, and substantially above a level of mediocre service that might minimally warrant renewal. Any licensee that fails to meet this requirement will forfeit its license, and the licensee will be ineligible to regain it.

In September 2009, 1.4 Holdings entered into a lease agreement (the "**Spectrum Lease**") with One Dot Four Corp. ("**One Dot Four**"), a subsidiary of LightSquared, Inc. ("**LightSquared**"), whereby One Dot Four leased the rights to use the 1.4 Spectrum for which 1.4 Holdings holds the FCC Licenses. Pursuant to the Spectrum Lease, One Dot Four was obligated to pay 1.4 Holdings \$2 million per month on the first day of each month (each, a "**Lease Agreement Payment**"). Under the Spectrum Lease, One Dot Four agreed to use the 1.4 Spectrum in a manner and within the time period that would satisfy the "substantial service" requirement. On or about April 1, 2012, One Dot Four defaulted on its Lease Agreement Payment due 1.4 Holdings. As a result, 1.4 Holdings issued a notice of default to One Dot Four with respect to the Spectrum Lease on April 3, 2012. Thereafter, One Dot Four and 1.4 Holdings agreed to terminate the Spectrum Lease, effective as of April 20, 2012.

C. **The Spectrum Transaction**

Because the 1.4 Spectrum is no longer encumbered by the Spectrum Lease,⁴ the TSC Debtors are exploring their options with respect to their indirect ownership of the 1.4 Spectrum. To that end, the TSC Debtors are examining a number of potential scenarios, including (a) marketing the 1.4 Spectrum through a sale of either the 1.4 Spectrum or the sale of the TSC's equity interest in TS Holdings, (b) marketing a lease of the 1.4 Spectrum, or (c) maintaining their equity interest in, and reorganizing around, the 1.4 Spectrum. While each of these scenarios is possible at this time, contemporaneously with the filing of this First Disclosure Statement Supplement, the TSC Debtors have also filed an amended Plan, which is similar in many respects to the previous version of the Plan filed on January 12, 2012, but includes, among other things, a larger exit facility and the possibility that certain Claims may be paid in Cash under certain circumstances.

⁴ Since the termination of the Spectrum Lease, 1.4 Holdings entered into a short-term lease agreement with FirstEnergy Service Company ("**FirstEnergy**") whereby FirstEnergy is leasing the right to use a geographically small portion of the 1.4 Spectrum over the next year subject to certain termination rights. This lease will provide the TSC Debtors with approximately \$40,000 per month in revenue.

To assist in the above-referenced analysis, the TSC Debtors have filed a motion seeking to engage RKF Engineering Solutions, LLC to perform an analysis of the 1.4 Spectrum by analyzing services for the band and the ability to share with the adjacent bands, which analysis shall be made available to any party seeking diligence in connection with potential interest in a transaction regarding the 1.4 Spectrum [Docket No. 497].⁵

D. Appointment of a Chief Restructuring Officer and Modification of Certain Compensation Parties

The TSC Debtors have filed a motion [Docket No. 514] seeking to (a) appoint current TSC Board member Eugene I. Davis (“*Davis*”) as chief restructuring officer (“*CRO*”) and president of TSC and of each of the remaining TSC Debtors, (b) revise the employment terms of TSC’s general counsel Douglas Brandon from an unpaid to a paid position and (c) transition the services of TSC’s president Jeffrey Epstein to a consultant position. In addition to his position as CRO, Davis will be appointed as the sole member of a restructuring subcommittee that will be authorized to take any and all actions necessary to facilitate the restructuring of the TSC Debtors including, but not limited to, authorizing the TSC Debtors to obtain post-petition financing and exit financing as well as authorizing the filing of an amended plan of reorganization.

Given the current circumstances surrounding the TSC Debtors’ cases, including the termination of the Spectrum Lease, it is anticipated that Davis will assist the TSC Debtors in developing a strategy to allow the TSC Debtors to extract value from the 1.4 Spectrum. In addition, it is expected that Davis will assist the TSC Debtors’ advisors with the negotiation of additional post-petition financing and, potentially, an exit financing facility in connection with the TSC Debtors’ confirmation of the Plan and emergence from chapter 11. Accordingly, the TSC Debtors believe that the CRO will allow the successful and efficient completion of the restructuring of the TSC Debtors and their subsequent emergence from chapter 11. Brandon has agreed to continue his role as general counsel to the TSC Debtors and to act as secretary and treasurer of TSC and each of the other TSC Debtors, and will lend his valuable experience with the FCC to the TSC Debtors to assist them with the FCC issues that may arise in connection with the sale or lease of the 1.4 Spectrum. In his modified position as consultant to the TSC Debtors, Epstein will continue to assist the TSC Debtors in resolving outstanding claims against their estates and other issues as may be reasonably requested by Brandon or Davis in furtherance of the TSC Debtors’ restructuring.

III. DESCRIPTION OF THE JOINT PLAN OF REORGANIZATION

A. Summary of Classification

The following chart represents the general classification of Claims and Equity Interests against the TSC Debtors pursuant to the Plan:

Class	Claim	Status	Voting Rights
1	Other Priority Claims	Unimpaired	No (deemed to accept)
2	Other Secured Claims	Unimpaired	No (deemed to accept)
3a	Bridge Loan Claims Against TSC	Impaired	Yes
3b	Bridge Loan Claim Against TS Holdings	Impaired	Yes
4a	Unsecured Claims Against TSC	Impaired	Yes
4b	Unsecured Claims Against TS Holdings	Impaired	Yes
4c	Unsecured Claim Against MVH Holdings Inc.	Impaired	Yes
4d	Unsecured Claims Against Motient Ventures Holding Inc.	Impaired	Yes
4e	Unsecured Claim Against Motient Holdings Inc.	Impaired	Yes

⁵ For the avoidance of doubt, the Designated Holders shall be permitted to make as well as seek Transaction Offers.

<u>Class</u>	<u>Claim</u>	<u>Status</u>	<u>Voting Rights</u>
4f	Unsecured Claims Against Motient Communications Inc.	Impaired	Yes
4g	Unsecured Claim Against Motient Services Inc.	Impaired	Yes
4h	Unsecured Claims Against Motient License Inc.	Impaired	Yes
4i	Unsecured Claim Against TerreStar New York Inc.	Impaired	Yes
5	Convenience Claims	Unimpaired	No (deemed to accept)
6	Sprint Settlement Claim	Impaired	Yes
7	Intercompany Claims	Unimpaired	No (deemed to accept)
8a	Preferred Series A TSC Interests	Impaired	Yes
8b	Preferred Series B TSC Interests	Impaired	Yes
8c	Preferred Series C TSC Interests	Impaired	No (deemed to reject)
8d	Preferred Series D TSC Interests	Impaired	No (deemed to reject)
8e	Preferred Series E TSC Interests	Impaired	No (deemed to reject)
9a	Other TSC Equity Interests	Impaired	No (deemed to reject)
9b	Other Equity Interests in TS Holdings	Unimpaired	No (deemed to accept)
9c	Other Equity Interests in MVH Holdings Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9d	Other Equity Interests in Motient Ventures Holding Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9e	Other Equity Interests in Motient Holdings Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9f	Other Equity Interests in Motient Communications Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9g	Other Equity Interests in Motient Services Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9h	Other Equity Interests in Motient License Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9i	Other Equity Interests in TerreStar New York Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)

B. Treatment of Claims and Equity Interests

The treatment of Claims and Equity Interests described below is provided in “marked form,” to reflect the changes that have been made to the Second Amended Disclosure Statement.

(i) Class 1 – Other Priority Claims

- (a) Classification:* Class 1 consists of Other Priority Claims against each TSC Debtor. Although all Other Priority Claims have been placed in one Class for the purposes of nomenclature, the Other Priority Claims against each TSC Debtor shall be treated as being in a separate sub-Class for the purpose of receiving distributions under the Plan.

- (b) *Treatment:* Except to the extent that a holder of an Allowed Other Priority Claim (i) has been paid by the applicable TSC Debtor, in whole or in part, prior to the Effective Date or (ii) agrees to a less favorable treatment, each holder of an Allowed Other Priority Claim shall receive from the TSC Debtor that is obligated on such Other Priority Claim, in full satisfaction, settlement, release and discharge of, and in exchange for such Other Priority Claim, Cash in the full amount of such Allowed Other Priority Claim.
- (c) *Voting:* Class 1 is Unimpaired and the holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Other Priority Claims are not entitled to vote to accept or reject the Plan.

(ii) ***Class 2 – Other Secured Claims***

- (a) *Classification:* Class 2 consists of Other Secured Claims. Although all Other Secured Claims have been placed in one Class for the purposes of nomenclature, each Other Secured Claim, to the extent secured by a Lien on any property or interest in property of the TSC Debtors different than that securing any other Other Secured Claims, shall be treated as being in a separate sub-Class for the purpose of receiving distributions under the Plan.
- (b) *Treatment:* Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full satisfaction, settlement, release and discharge of, and in exchange for such Allowed Other Secured Claim, each holder of an Allowed Other Secured Claim shall, at the option of the TSC Debtors (with the reasonable consent of each of the Designated Holders), be paid: (i) in Cash in full on the first Distribution Date after such claim becomes due and payable in the ordinary course of business or (ii) in Cash on such other terms and conditions as may be agreed between the holder of such claim and the TSC Debtors.
- (c) *Voting:* Class 2 is Unimpaired and the holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Other Secured Claims are not entitled to vote to accept or reject the Plan.

(iii) ***Class 3 – Bridge Loan Claims***

- (a) *Classification:* Classes 3a and 3b consist of the Bridge Loan Claims against TSC and TS Holdings, respectively.
- (b) *Treatment:* Except to the extent that a holder of an Allowed Bridge Loan Claim agrees to a less favorable treatment, in full satisfaction, settlement, release and discharge of, and in exchange for such Allowed Bridge Loan Claim, each holder of an Allowed Bridge Loan Claim shall be paid in Cash within two Business Days after the Effective Date in an amount equal to such Bridge Loan Claim less any interest that has accrued pursuant to Section 2.8(c) of the Bridge Loan Agreement solely as a result of a continuing default thereunder.
- (c) *Voting:* Classes 3a and 3b are Impaired by the Plan. Therefore, holders of Bridge Loan Claims are entitled to vote to accept or reject the Plan.

(iv) **Class 4 – Unsecured Claims**

(a) **Classes 4a – 4b**

- (i) *Classification:* Classes 4a and 4b consist of Unsecured Claims against TSC and TS Holdings, respectively.
- (ii) *Treatment:* Except to the extent that a holder of an Allowed Unsecured Claim in Classes 4a and 4b agrees to a less favorable treatment, each holder of an Allowed Unsecured Claim in Class 4a or 4b shall, at the option of the applicable TSC Debtors, receive, in full satisfaction, settlement, release and discharge of, and in exchange for such Allowed Unsecured Claim in Class 4a or 4b, either (a) its Pro Rata share (calculated with reference to all Allowed Unsecured Claims in Classes 4a and 4b) of New TSC Notes in an aggregate amount such that each holder of an Allowed Unsecured Claim in Class 4a or 4b receives a 100% recovery on account of such Allowed Unsecured Claim in Class 4a or 4b, including post-petition interest at the federal judgment rate. or (b) payment in Cash in full, including post-petition interest at the federal judgment rate, on the first Distribution Date after such Claim becomes due and payable in the ordinary course of business (provided that no payment shall be made under this Article III.C.4.(a)(ii)(b) without the consent of each of the Designated Holders); provided, however, that in the event of the sale and/or liquidation of all or substantially all of the TSC Debtors' assets pursuant to an order entered by the Bankruptcy Court, each holder of an Allowed Unsecured Claim in Class 4a or 4b shall receive, on the first Distribution Date after such Claim becomes due and payable in the ordinary course of business, payment in Cash in full, including post-petition interest at the federal judgment rate.
- (iii) *Voting:* Classes 4a and 4b are Impaired by the Plan. Therefore, holders of Unsecured Claims in these Classes are entitled to vote to accept or reject the Plan.

(b) **Classes 4c – 4i**

- (i) *Classification:* Classes 4c – 4i consist of Unsecured Claims against MVH Holdings Inc. (Class 4c); Motient Ventures Holding Inc. (Class 4d); Motient Holdings Inc. (Class 4e); Motient Communications Inc. (Class 4f); Motient Services Inc. (Class 4g); Motient License Inc. (Class 4h); and TerreStar New York Inc. (Class 4i).
- (ii) *Treatment:* Except to the that extent a holder of an Allowed Unsecured Claim in Classes 4c – 4i agrees to a less favorable treatment, to the extent that any holder of an Allowed Unsecured Claim in Classes 4c – 4i is also the holder of an Allowed Unsecured Claim in Class 4a or 4b arising out of the same agreement, transaction or circumstance, such Claim shall be satisfied in full by TSC or TS Holdings, as applicable, in accordance with the terms of this Plan, *provided, however,* that each holder of an Allowed Unsecured Claim in Classes 4c – 4i that (a) is not also the holder of an Allowed Unsecured Claim in Class 4a or 4b arising out of the same agreement, transaction or circumstance or (b) is the holder of an Allowed Unsecured Claim in Class 4a or 4b, but such Allowed Unsecured Claim in Classes 4c – 4i is greater in amount than such Allowed Unsecured Claim in Class 4a or 4b, shall, at the option of the applicable TSC Debtors, with the **reasonable** consent of each of the Designated Holders, receive: (i) payment in Cash in full, including post-petition interest at the federal judgment rate, on the first Distribution Date after such Claim becomes due and

payable in the ordinary course of business or (ii) its Pro Rata share of the equity of the reorganized entity corresponding to such Allowed Unsecured Claim.

For the avoidance of doubt, with respect to Allowed Class 4c – 4i Unsecured Claims, to the extent that Cash is distributed to any of the Other TSC Debtors pursuant to the TSN Debtors' chapter 11 plan, such Cash will be used to satisfy such Allowed Class 4c – 4i Unsecured Claims, as applicable; provided, however, that, to the extent that any TSC Debtor(s) advance(s) Cash to any of the Other TSC Debtors to satisfy Allowed Class 4c – 4i Unsecured Claims prior to any of the Other TSC Debtors' receipt of any distribution pursuant to the TSN Debtors' chapter 11 plan, any such distribution pursuant to the TSN Debtors' chapter 11 plan will be paid over to such TSC Debtor(s) in repayment of such Cash advance(s).

(iii) *Voting:* Classes 4c – 4i are Impaired by the Plan. Therefore, holders of Unsecured Claims in these Classes are entitled to vote to accept or reject the Plan.

(v) ***Class 5***

(a) *Classification:* Class 5 consists of Convenience Claims against TSC and TS Holdings.

(b) *Treatment:* Except to the extent that a holder of an Allowed Convenience Claim (i) has been paid by TSC or TS Holdings, as applicable, in whole or in part, prior to the Effective Date or (ii) agrees to a less favorable treatment, each holder of an Allowed Convenience Claim shall receive, from TSC or TS Holdings, as applicable, in full satisfaction, settlement, release and discharge of, and in exchange for such Convenience Claim, Cash in the full amount of such Allowed Convenience Claim, including post-petition interest at the federal judgment rate, on the first Distribution Date after such Convenience Claim becomes Allowed.

(c) *Voting:* Class 5 is Unimpaired by the Plan, and the holders of Convenience Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Convenience Claims are not entitled to vote to accept or reject the Plan.

(vi) ***Class 6 – Sprint Settlement Claim***

(a) *Classification:* Class 6 consists of the Sprint Settlement Claim against TSC.

(b) *Treatment:* The holder of the Sprint Settlement Claim shall receive, on the Effective Date, in full satisfaction, settlement, release and discharge of, and in exchange for the Sprint Settlement Claim, Cash in an amount equal to the difference (if any) between \$2.6 million and the amount paid to Sprint by the TSN Debtors on account of the Intercompany Funding Claim pursuant to the terms of the Sprint Settlements, which amount shall be funded solely from any amount actually received by TSC on account of the Intercompany Funding Claim. In the event that the allowed amount of the Sprint Settlement Claim exceeds the total amount actually received by TSC on account of the Intercompany Funding Claim, the holder of the Sprint Settlement Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for the Sprint Settlement Claim only Cash in an amount equal to the total amount actually received by TSC on account of the Intercompany Funding Claim.

(c) *Voting:* Class 6 is Impaired under the Plan. Therefore, the holder of the Sprint Settlement Claim is entitled to vote to accept or reject the Plan. The TSC Debtors anticipate that the

amount paid to Sprint by the TSN Debtors on account of the Intercompany Funding Claim will be \$2.6 million and, thus, that the amount of the Sprint Settlement Claim will be zero. If the amount of the Sprint Settlement Claim is zero, then Class 6 shall be deemed automatically eliminated and any such votes cast in Class 6 shall be disregarded.

(vii) Class 7 – Intercompany Claims

- (a) *Classification:* Class 7 consists of Intercompany Claims against each TSC Debtor. Although all Intercompany Claims have been placed in one Class for the purposes of nomenclature, the Intercompany Claims against each TSC Debtor shall be treated as being in a separate sub-Class for the purpose of receiving distributions under the Plan.
- (b) *Treatment:* No distribution shall be made on account of Intercompany Claims. Except as otherwise determined by the TSC Debtors, with the consent of each of the Requisite Designated Holders, each Allowed Intercompany Claim shall be reinstated on the Effective Date. After the Effective Date, the Reorganized TSC Debtors shall have the right to resolve or compromise Disputed Intercompany Claims without approval of the Bankruptcy Court.
- (c) *Voting:* Class 7 is Unimpaired and the holders of Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

(viii) Class 8 – Preferred TSC Interests

(a) Classes 8a and 8b

- (i) *Classification:* Classes 8a and 8b consist of Preferred Series A TSC Interests and Preferred Series B TSC Interests, respectively.
- (ii) *Treatment:* On the Effective Date, except to the extent a holder of an Allowed Preferred Series A TSC Interest or an Allowed Preferred Series B TSC Interest agrees to a less favorable treatment, each holder of an Allowed Preferred Series A TSC Interest or an Allowed Preferred Series B TSC Interest shall receive its Pro Rata share (calculated with reference to all Allowed Preferred Series A and B TSC Interests) of the New Common Stock, provided, however, that in the event of the sale and/or liquidation of all or substantially all of the TSC Debtors' assets pursuant to an order entered by the Bankruptcy Court, each holder of an Allowed Preferred Series A TSC Interest or an Allowed Preferred Series B TSC Interest shall receive its Pro Rata share (calculated with reference to all Allowed Preferred Series A and B TSC Interests) of the Sale Distribution. On the Effective Date, all Preferred Series A TSC Interests and Preferred Series B TSC Interests shall be deemed cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise.
- (iii) *Voting:* Classes 8a and 8b are Impaired by the Plan. Therefore, holders of Preferred Series A TSC Interests and Preferred Series B TSC Interests are entitled to vote to accept or reject the Plan.

(b) Classes 8c – 8e

- (i) *Classification:* Classes 8c – 8e consist of the Preferred Series C TSC Interests, the Preferred Series D TSC Interests and the Preferred Series E TSC Interests, respectively.

- (ii) *Treatment:* On the Effective Date, all Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests shall be deemed cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and there shall be no distribution to the holders of Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests.
- (iii) *Voting:* Classes 8c – 8e are Impaired and the holders of Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, holders of Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests are not entitled to vote to accept or reject the Plan.

(ix) ***Class 9 – Equity Interests***

(a) *Class 9a*

- (i) *Classification:* Class 9a consists of the Other TSC Equity Interests.
- (ii) *Treatment:* On the Effective Date, all Other TSC Equity Interests shall be deemed cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and there shall be no distribution to the holders of Other TSC Equity Interests.
- (iii) *Voting:* Class 9a is Impaired and the holders of Other TSC Equity Interests are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, holders of Other TSC Equity Interests are not entitled to vote to accept or reject the Plan.

(b) *Classes 9b – 9i*

- (i) *Classification:* Classes 9b – 9i consist of Other Equity Interests in TS Holdings (Class 9b); MVH Holdings Inc. (Class 9c); Motient Ventures Holding Inc. (Class 9d); Motient Holdings Inc. (Class 9e); Motient Communications Inc. (Class 9f); Motient Services Inc. (Class 9g); Motient License Inc. (Class 9h) and TerreStar New York Inc. (Class 9i).
- (ii) *Treatment:* In full satisfaction, settlement, release and discharge of and in exchange for the Reorganized TSC Debtors' agreement to make distributions, if any, to the holders of Allowed Unsecured Claims and Other Equity Interests under the Plan, to provide management services to certain other Reorganized TSC Debtors and to use certain funds and assets, to the extent authorized in the Plan, to satisfy certain obligations between and among such Reorganized TSC Debtors, each and every Other Equity Interest in Classes 9b – 9i shall, subject to any Restructuring Transaction, at the option of the Reorganized TSC Debtors (in consultation with the Designated Holders), either (i) be retained, in which case the TSC Debtor holding such Other Equity Interests shall continue to hold such Other Equity Interests, and the legal, equitable and contractual rights to which the holders of such Other Equity Interests are entitled shall remain unaltered or (ii) be cancelled and new Other Equity Interests in the applicable Other TSC Debtor shall be issued pursuant to the Plan to the Reorganized TSC Debtor that holds such Other Equity Interests. For the avoidance of doubt, if the holders of Allowed Unsecured Claims in Classes 4c – 4i receive the equity in the reorganized entity corresponding to their respective Allowed Unsecured Claim,

the holders of the applicable 9c – 9i Other Equity Interests will receive no distribution.

- (iii) *Voting:* Class 9b is Unimpaired and the holders of Class 9b Other Equity Interests are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Classes 9c – 9i are either (a) Unimpaired and the holders of the applicable Class 9c – 9i Other Equity Interests are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f) or (b) Impaired and the holders of the applicable Class 9c – 9i Other Equity Interests are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, holders of Other Equity Interests in Classes 9b – 9i are not entitled to vote to accept or reject the Plan.

C. New TSC Notes

The Plan provides that, if a Spectrum Sale Transaction does not occur, each holder of a Class 4a or 4b Allowed Unsecured Claim may receive on the Initial Distribution Date and in full satisfaction, settlement, release and discharge of, and in exchange for such Class 4a and/or 4b Allowed Unsecured Claim, its Pro Rata share (calculated with reference to all Allowed Unsecured Claims in Classes 4a and 4b) of New TSC Notes in an aggregate amount such that each holder of an Allowed Unsecured Claim in Class 4a or 4b receives a 100% recovery on account of such Allowed Unsecured Claim in Class 4a or 4b, including post-petition interest at the federal judgment rate. Furthermore, if a Spectrum Sale Transaction does not occur, each holder of Preferred Series A TSC Interests or Preferred Series B TSC Interests in Classes 8a and 8b, respectively, shall receive their Pro Rata share (calculated with reference to all Allowed Preferred Series A and B TSC Interests) of the New Common Stock.

On or prior to the Amended Plan Supplement Filing Date, the TSC Debtors will file an amended form of indenture for the New TSC Notes. The following chart summarizes the changes to the key terms of the New TSC Notes as compared with the form of indenture filed on February 3, 2012.

	Form of Indenture Dated February 3, 2012	Amended Form of Indenture Dated June [], 2012
Term	Seven years from the Effective Date	36 months from the Effective Date; provided, however, that the maturity of the New Notes may be extended by 12 months, at the option of TSC, upon notice to the holders of the New Notes, in exchange for an increase in the interest rate by 150 bps for the additional 12 months and a certification from the principal officer that TSC will be able to repay or refinance the New Notes during such 12 month period
Interest Rate	6.0% per annum to be paid semi-annually in cash	10.5% per annum paid-in-kind, subject to the above
Covenants	See covenants in the form of indenture filed as Exhibit G to the <i>Plan Supplement to the Second Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.</i> , on February 3, 2012 [Docket No. 364].	The New TSC Notes shall include standard high-yield covenants intended to be consistent with the form of indenture dated February 3, 2012 (and which in all events will be no tighter or more restrictive than those found in the Exit Facility), subject to the following change: The Restricted Payment covenant will be revised such that there will be no circumstances under which a Restricted

		Payment will be permitted under the Indenture.
Liens and Priorities	Unsecured; <i>pari passu</i> with other senior indebtedness of the Issuer and each of the Guarantors	Secured by a “silent” second-priority lien on substantially all of the assets of the Reorganized TSC Debtors; junior to the Exit Facility and <i>pari passu</i> with other senior indebtedness of the Issuer and the Guarantor.
Events of Default	<p>Usual and customary Events of Default, including, without limitation, upon (a) non-payment upon maturity and (b) acceleration of any other incurred debt obligations (including the Exit Facility) in excess of \$5 million.</p> <p>Additionally, it shall be an event of default if any payment default under the 1.4 Lease or any Replacement Lease, as applicable, continues for a period of six months immediately following such payment default (the “<i>Non-Payment Period</i>”); provided that the Non-Payment Period shall be extended for an additional six months before there is an event of default under the Notes in respect of such payment default under the 1.4 Lease or any Replacement Lease, as applicable, if within 30 days after the commencement of the Non-Payment Period, TSC shall have issued equity securities for cash or otherwise received cash contributions to the capital of TSC, which cash shall be deposited in an escrow account with the Trustee for the benefit of noteholders in an amount sufficient to pay the semi-annual interest payment required to be made in respect of the Notes that is next due after the initial six month Non-Payment Period; provided further that any such event of default shall be cured if (i) the lessee under the applicable 1.4 Lease or Replacement Lease pays all outstanding amounts due or (ii) TSC and/or its subsidiaries enter into a new Replacement Lease.</p>	<p>Usual and customary Events of Default, including, without limitation, upon (a) non-payment upon maturity and (b) acceleration of any other incurred debt obligations (including the Exit Facility) in excess of \$5 million.</p> <p>Additionally, it shall be an event of default if (a) the second priority liens on all or substantially all the collateral cease to be valid and enforceable subject to certain terms and conditions and (b) the Issuer or any Subsidiary Pledgor fails to comply for 60 days after notice with its other agreements contained in the Security Documents except for a failure that would not materially affect the Holders of the Notes or the value of the Collateral taken as a whole.</p> <p>There will be no event of default with respect to the 1.4 Lease or any other spectrum lease agreement.</p>

IV. VOTING PROCEDURES

The Voting Deadline is 5:00 p.m. prevailing Eastern Time on September 7, 2012. In order to be counted as votes to accept or reject the Plan (or changes to votes, as applicable), all ballots must be properly executed, completed and delivered (either by using the return envelope provided, by first class mail, overnight courier or personal delivery) so that it is **actually received** on or before the Voting Deadline by the Voting and Claims Agent at the following address:

DELIVERY OF BALLOTS

Ballots must be **actually received** by the Voting and Claims Agent by the Voting Deadline of 5:00 p.m. (prevailing Eastern time) on September 7, 2012 at the following addresses:

Voting and Claims Agent:

If by mail:

TerreStar Corporation
c/o The Garden City Group, Inc.
P.O. Box 9680
Dublin, OH 43017-4980

If by hand or overnight courier:

TerreStar Corporation
c/o The Garden City Group, Inc.
5151 Blazer Parkway, Suite A
Dublin, OH 43017

The Voting and Claims Agent will **not** accept ballots submitted by facsimile or electronic means.

* * * * *

If you have any questions on the procedure for voting on the Plan, please call the Voting and Claims Agent at the following telephone number:

1-888-872-9182

V. CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

Bankruptcy Code section 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing to consider Confirmation. Bankruptcy Code section 1128(b) provides that any party in interest may object to Confirmation.

The Bankruptcy Court has scheduled the Confirmation Hearing for September 18, 2012 at 10:00 a.m. (prevailing Eastern Time) before the Honorable Judge Sean H. Lane, United States Bankruptcy Judge, in the Bankruptcy Court, located at Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

B. Deadline to Object to Confirmation of the Plan

Objections to Confirmation must be filed and served at or before 5:00 p.m. (prevailing Eastern time) on September 11, 2012 in accordance with the notice of the Confirmation Hearing that accompanies this First Disclosure Statement Supplement. This means that written objections to Confirmation, if any, that conform to the applicable provisions of the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules for the Bankruptcy Court must be filed, together with a proof of service, with the Bankruptcy Court and served so as to be actually received on or before the Plan Objection Deadline by the following parties:

- Counsel to the TSC Debtors: Akin Gump Strauss Hauer & Feld LLP, Attn: Ira S. Dizengoff and Arik Preis, One Bryant Park, New York, New York 10036 and Attn: Sarah Link Schultz, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201; and

- U.S. Trustee: Office of the United States Trustee for the Southern District of New York,
Attn: Susan Golden, Whitehall Street, 21st Floor, New York, New York 10004.

Unless objections to Confirmation are timely served and filed, they may not be considered by the Bankruptcy Court.

C. Confirmation Hearing

The Confirmation Hearing will commence at 10:00 a.m. prevailing Eastern time on September 18, 2012. The Confirmation Hearing will be held before the Honorable Sean H. Lane in the Bankruptcy Court, One Bowling Green, New York, New York 10004-1408. At least 28 days before the Voting Deadline, the TSC Debtors will (a) serve the Confirmation Hearing Notice upon all known creditors of the TSC Debtors and (b) publish the Confirmation Hearing Notice in the national editions of The Washington Post and USA Today, which will contain, among other things, details regarding voting on and objecting to Confirmation, including the Voting Deadline and the Plan Objection Deadline, and the date, time and location of the Confirmation Hearing. The Confirmation Hearing Notice will also be posted on the TSC Debtors' restructuring website, www.TerreStarCorpRestructuring.com. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

D. Effect of Confirmation and Consummation of the Plan

Following Confirmation, subject to Article X of the Plan, the Plan will be consummated on the Effective Date. Among other things, on the Effective Date, certain release, injunction, exculpation and discharge provisions set forth in Article IX of the Plan will become effective. As such, it is important to read the provisions contained in Article IX of the Plan very carefully so that you understand how Confirmation and consummation of the Plan—which effectuates such provisions—will affect you and any Claim or Equity Interest you may hold against the TSC Debtors and other claim or interest holders so that you cast your vote accordingly. Further discussion of the releases contemplated in the Plan is provided in Section VIII.D of the Disclosure Statement.

VI. RISK FACTORS

Holders of Claims and Equity Interests should read and consider carefully the risk factors set forth below, as well as the other information set forth in the Disclosure Statement, this First Disclosure Statement Supplement and the documents delivered together herewith, referred to or incorporated by reference herein, before voting to accept or reject the Plan. Although these risk factors are many, they should not be regarded as constituting the only risks present in connection with the TSC Debtors' business or the Plan and its implementation.

A. The Value of the 1.4 Spectrum May Be Less than Projected

The valuation of the 1.4 Spectrum is based on a number of estimates and assumptions that are subject to significant economic, competitive and operational uncertainties and contingencies. Although the TSC Debtors' management has prepared the valuation in good faith and believes the assumptions to be reasonable, it is important to note that the TSC Debtors can provide no assurance that such valuation and assumptions will be realized. Accordingly, while the information contained in the valuation of the 1.4 Spectrum is presented with numerical specificity, the actual asset values presented in the analysis could vary materially from those presented in the valuation.

Dated: June 27, 2012

Respectfully submitted,

TerreStar Corporation
(for itself and on behalf of each of the TSC Debtors)

By: /s/ Douglas Brandon
Name: Douglas Brandon
Title: General Counsel and Secretary

Prepared by:

Ira S. Dizengoff
Arik Preis
AKIN GUMP STRAUSS HAUER & FELD LLP
One Bryant Park
New York, New York 10036
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Sarah Link Schultz
1700 Pacific Avenue, Suite 4100
Dallas, TX 75201
(214) 969-2800 (Telephone)
(214) 969-4343 (Facsimile)

Counsel to the TSC Debtors

Exhibit 2

Confirmation Hearing Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
	)	Chapter 11
TERRESTAR CORPORATION, <i>et al.</i> , ¹)	
	)	Case No. 11-10612 (SHL)
Debtors.)	
	)	Jointly Administered

**NOTICE OF HEARING TO CONSIDER
CONFIRMATION OF THE CHAPTER 11 PLAN FILED BY THE
TSC DEBTORS AND RELATED VOTING AND OBJECTION DEADLINES**

TO: ALL HOLDERS OF CLAIMS, HOLDERS OF EQUITY INTERESTS AND PARTIES IN INTEREST IN THE ABOVE-CAPTIONED CHAPTER 11 CASES

PLEASE TAKE NOTICE THAT on [____], 2012, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered an order (Docket No. [____]) (the “**Disclosure Statement Order**”) (a) approving the *First Supplement to the Second Amended Disclosure Statement for the Third Amended Joint Chapter 11 Plan of the TSC Debtors TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* (Docket No. 515) (together with the Second Amended Disclosure Statement² and as the same may be modified or amended from time to time, the “**Disclosure Statement**”) filed by TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc. (collectively, the “**TSC Debtors**”), (b) fixing the dates and deadlines related to confirmation of the *Third Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* (Docket No. 513) (as may be modified or amended from time to time, the “**Plan**”),³ (c) approving the procedures for soliciting and tabulating the votes on, and for objecting to, the Plan and (d) approving the manner and form of notices and documents relating to the Plan.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider confirmation of the Plan (the “**Confirmation Hearing**”) will commence at [____], **m. (prevailing Eastern Time) on [____], 2012** before the Honorable Sean H. Lane, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, New York 10004.

¹ The debtors in these chapter 11 cases are: TerreStar Corporation; Motient Communications Inc.; Motient Holdings Inc.; Motient License Inc.; Motient Services Inc.; Motient Ventures Holdings Inc.; MVH Holdings Inc.; TerreStar Holdings Inc.; and TerreStar New York Inc.

² On January 12, 2012, the TSC Debtors filed the *Second Amended Disclosure Statement for the Second Amended Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* (Docket No. 338) (the “**Second Amended Disclosure Statement**”).

³ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

PLEASE BE ADVISED: THE CONFIRMATION HEARING MAY BE CONTINUED FROM TIME TO TIME BY THE COURT OR THE TSC DEBTORS *WITHOUT FURTHER NOTICE* OTHER THAN BY SUCH ADJOURNMENT BEING ANNOUNCED IN OPEN COURT **OR** BY A NOTICE OF ADJOURNMENT FILED WITH THE COURT AND SERVED ON THE LIST OF ALL PARTIES REQUIRED TO BE NOTIFIED UNDER BANKRUPTCY RULE 2002 AND LOCAL RULE 2002-1 AND OTHER PARTIES ENTITLED TO NOTICE.

CRITICAL INFORMATION REGARDING VOTING ON THE PLAN

Voting Record Date. The voting record date is January 10, 2012, which is the date for determining which holders of Claims and Equity Interests in Classes 3a, 3b, 4a, 4b, 4c, 4d, 4e, 4f, 4g, 4h, 4i, 6, 8a and 8b are entitled to vote on the Plan.

Voting Deadline. The deadline for voting on the Plan (or changing a vote on the Plan, as applicable) is 5:00 p.m. (prevailing Eastern Time) on [____], 2012 (the "**Voting Deadline**"). If you received a Solicitation Package, including a Ballot, a Preferred Stock Ballot or a Master Preferred Stock Ballot, and intend to vote on the Plan or change your vote on the Plan, for your vote to be counted you must: (a) follow the instructions carefully; (b) complete *all* of the required information on the Ballot, Preferred Stock Ballot or Master Preferred Stock Ballot, as applicable; *and* (c) execute and return your completed Ballot, Preferred Stock Ballot or Master Preferred Stock Ballot so that it is actually received by The Garden City Group, Inc. (the "**Claims Agent**") (or nominee, as appropriate)⁴, according to and as set forth in detail in the voting instructions on or before the Voting Deadline. *A failure to follow such instructions may disqualify your vote.*

CRITICAL INFORMATION REGARDING OBJECTING TO THE PLAN

ARTICLE IX OF THE PLAN CONTAINS RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AND **ARTICLE IX.B. CONTAINS A THIRD-PARTY RELEASE.** THUS, YOU ARE ADVISED TO REVIEW AND CONSIDER THE PLAN CAREFULLY BECAUSE YOUR RIGHTS MIGHT BE AFFECTED THEREUNDER.⁵

Plan Objection Deadline. The deadline for filing objections to the Plan is [____], 2012 at 5:00 p.m. (**prevailing Eastern Time**) (the "**Plan Objection Deadline**").

Objections to the Plan. All objections, if any, to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules and any orders of the Court; (c) state the name and address of the objecting party and the amount and nature of the claim or equity interest of such entity; (d) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed, contemporaneously with a proof of service, with the Court and served so that it is **actually received** no later than the Plan Objection Deadline by the following parties as well as counsel to any statutory committee appointed in these chapter 11 cases:

⁴ Parties who receive a Preferred Stock Ballot should return such ballot to the Nominee in accordance with the voting information and instructions provided on the Preferred Stock Ballot.

⁵ Pursuant to Article IX of the Plan, parties who are not entitled to vote to accept or reject the Plan are deemed to have opted out of the third-party releases contained in the Plan.

AKIN GUMP STRAUSS HAUER & FELD LLP	
Attn: Ira Dizengoff and Arik Preis One Bryant Park New York, New York 10036 (212) 872-1000 (Telephone) (212) 872-1002 (Facsimile)	Attn: Sarah Link Schultz 1700 Pacific Avenue, Suite 4100 Dallas, Texas 75201 (214) 969-2800 (Telephone) (214) 969-4343 (Facsimile)
<i>Counsel to the TSC Debtors</i>	
QUINN EMANUEL URQUHART & SULLIVAN, LLP Attn: Scott C. Shelley and Daniel Holzman 51 Madison Avenue, 22nd Floor New York, New York 10010 (212) 849-7000 (Telephone) (212) 849-7100 (Facsimile)	WEIL, GOTSHAL & MANGES LLP Attn: Debra A. Dandeneau and Ronit Berkovich 767 Fifth Avenue New York, New York 10153 (212) 310-8000 (Telephone) (212) 310-8007 (Facsimile)
<i>Counsel to the Bridge Loan Agent, the Bridge Lenders and the DIP Lenders</i>	<i>Counsel to the Bridge Lenders</i>
WACHTELL, LIPTON, ROSEN & KATZ Attn: Scott K. Charles and Alexander B. Lees 51 West 52nd Street New York, New York 10019 (212) 403-1000 (Telephone) (212) 403-2000 (Facsimile)	RICHARDS KIBBE & ORBE LLP Attn: Michael Friedman and Keith Sambur One World Financial Center New York, NY 10281 (212) 530-1846 (Telephone) (917) 344-8846 (Facsimile)
<i>Counsel to the Bridge Lenders, the DIP Agent and the DIP Lenders</i>	<i>Counsel to the DIP Lenders</i>
THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE SOUTHERN DISTRICT OF NEW YORK Attn: Susan D. Golden 33 Whitehall Street, Suite 2100 New York, NY 10004	
<i>United States Trustee</i>	

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, however, or if you would like to obtain additional solicitation materials, please contact the Claims Agent, by: (a) calling the TSC Debtors' restructuring hotline at (888) 872-9182; (b) visiting the TSC Debtors' restructuring website at www.TerreStarCorpRestructuring.com or (c) by emailing TerreStarCorp@gcginc.com. You may also obtain copies of any pleadings filed in these chapter 11 cases for a fee via PACER at: <http://www.nysb.uscourts.gov>. Please be advised that the Claims Agent is authorized to answer questions about, and provide additional copies of solicitation materials (for free), but may not advise you as to whether you should vote to accept or reject the Plan. The Claims Agent is not authorized to, and will not, provide legal advice.

Filing the Plan Supplement. The TSC Debtors will file the Plan Supplement (as defined in the Plan) on or before [____], 2012, and will serve notice on the parties on the list of all parties required to be notified under Bankruptcy Rule 2002 and Local Rule 2002-1 that will: (a) inform parties that the TSC Debtors filed the Plan Supplement; (b) list the information contained in the Plan Supplement; and (c) explain how parties may obtain copies of the Plan Supplement.

BINDING NATURE OF THE PLAN:

THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WHETHER OR NOT SUCH HOLDER WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, HAS FILED A PROOF OF CLAIM OR PROOF OF INTEREST IN THE CHAPTER 11 CASES OR FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTED TO REJECT THE PLAN.

Exhibit 3a

Ballots

Exhibit 3b

Preferred Stock Ballots

Exhibit 3c

Master Preferred Stock Ballots